

LETTER OF TRANSMITTAL

In Fiscal Year 1995-1996 the Public Service Commission of South Carolina developed a formal planning process for the Commission and each of its departments. This process was initiated as part of the reorganization of the Commission in response to the changing regulatory environment. As the monopolistic telecommunications, natural gas, and electric industries are opened to competition, the regulatory role of the Commission will change from traditional rate of return on rate base regulation.

The Research Department was assigned to lead this planning process. Numerous meetings were held with planners from South Carolina Electric & Gas Company, Duke Power Company, and the University of South Carolina. The purpose of these meetings was to gain information and insight into how a formal planning process should be developed and what should be included. Based on the information obtained from these sources, the Research Department developed a planning process and a plan for the Research Department. This process and the Research Department plan were used as a model for departmental planning. The Research Department assisted the other departments in the development of their plans. This planning process in conjunction with the statutory requirements of the Commission was utilized to develop the Commission plan that unifies all of the individual departmental plans.

Each plan included a mission statement, long-term goals and objective, short-term goals and objectives, long-term implementation strategies, and short-term implementation strategies. The departmental plans and the Commission plan were submitted to the Commissioners for approval. The approved plans became the bases for the operation of the Commission and its departments.

Questions concerning the Annual Accountability Report of the Public Service Commission should be directed to Gary E. Walsh, Executive Director, at 896-5133.

EXECUTIVE SUMMARY

The functions and responsibilities of the Public Service Commission are set forth in legislation. Within the framework of its statutory obligations, the Commission establishes its mission, goals and objectives, and strategies for fulfilling its mission and achieving its objectives. The Commission, unlike some other agencies, must balance the interests of the companies, which it regulates, and the interests of the customers of these companies and the broader interests of the State. As the industries that are regulated by the Commission become more competitive, the role of the Commission is changing away from its historical emphasis of regulating monopolies to protect consumers from the potential abuses of monopoly power. The new focus of the Commission consists largely of managing the transformation of monopolistic industries into competitive industries so that all customers receive benefits from competition.

Seven operating departments are primarily responsible for implementing strategies to fulfill the mission and the goals and objectives of the Commission. Each department has its own mission statement, goals and objectives, and strategies which, when taken together, provide the means by which the Commission meets its goals and fulfills its mission.

The Utility Department consists of 15 persons with responsibility electric, telecommunications, gas, and water and wastewater utilities. Its FY1998-1999 budget was \$933,797. Department personnel participated in 117 hearings and the issuance of 553 orders. A total of 193 compliance audits were completed, and 49 of the audits indicated a violation of Commission rules, regulations, and tariffs. The companies were notified of the violations and appropriate corrective action was taken by each company.

The Accounting Department has 10 employees and an FY1998-1999 budget of \$505,347. This Department provides the accounting expertise for the Commission. It provides testimony in hearings manages the Interim LEC Fund, performs audits, and computes Gross Receipts taxes required to finance the Commission. A total of 142 accounting audits were completed in fiscal year 1998-1999. No companies were found to be in violation of Commission rules and regulations.

The 5-person Legal Department provides the legal expertise for the Commission. It writes the Commission orders, represents the Commission=s positions before all State and Federal Courts, represents the Commission Staff in hearings, and advises the Commission on all legal issues. The FY1998-1999 budget for the Legal Department was \$180,000. Commission attorneys participated in 183 hearings and Commission meetings and wrote 600 orders. The Department defended the Commission=s position in 25 cases in State and Federal Courts. Commission attorney=s daily engaged in numerous conversations and e-mails on a variety of regulatory issues and rendered opinions on those issues.

The movement toward competition in the regulated industries has placed more responsibility Research Department. Although traditional rate-of-return analyses and testimony is still performed, much of the Research Departments efforts are focused on evaluating State and Federal legislation

concerning utilities, advising the Commission on emerging issues, and preparing speeches and presentations on legislation, utility regulation and restructuring, and critical issues. These efforts provide the information necessary for the development of public policy and communication with the general public. The Department made two presentations on electric utility restructuring before the South Carolina House and Senate committees on Labor, Commerce, and Industry, and made one presentation on electric restructuring to the Senate Committee on Electricity. The Staff also made two presentations on water issues to outside organizations. The Department prepared presentations on slamming, water issues and consumer education and placed this information on the Commission=s website. The Department also prepared 8 reports and analyzed 8 financing proposals. It also participated in over 120 NARUC teleconferences. Computer services is responsible for ensuring the information system needs of the Commission are met, including the operation and maintenance of 64 PCs, 14 laptop computers, 14 printers, a Digital VAX, and a Digital ALPHA. The Research Department had a budget of \$326,288 in FY1998-1999 and 7 employees.

The Consumer Services Department has 8 employees and a fiscal year 1998-1999 budget of \$167,875. The Department staff addresses consumer complaints and inquiries concerning the utility and transportation companies regulated by the Commission. Its employees identify and monitor complaint trends, testify in complaint and consumer related hearings, and advise the Commission and the public on evolving issues which may impact the public interest of the consumers in South Carolina. The Department staff is also responsible for providing the public with Consumer Information and Education on utility related issues. In FY 1998-1999, the Department staff investigated 3943 complaints and inquiries, recovered \$116,580.03 in credits and refunds for consumers, brought Speech-to-Speech (STS) telephone relay service to South Carolina for physically disabled citizens, discovered 3 water systems operating without authority, petitioned the Commission for rule to show cause regarding 2 telecommunications long distance resellers for violations of Commission=s rules and procedures, testified in 1 telecommunications rule to show cause hearing, received and processed 27,938 WATS line calls from the consumers and 1800 non-WATS line calls, conducted 31 complaint meetings with consumers, held 17 meetings with regulated utility companies, conducted 116 meter tests and on-site inspections, and attended 38 training sessions. In response to consumer complaints and inquiries, the Department staff conducted 7 informal complaint hearings and made 6607 outbound long distance calls. Designated staff worked weekly with the University of South Carolina=s computer staff to assist in the development of a new Complaints Tracking System (CTS) that will be used to analyze and monitor complaint trends.

The primary responsibility of the 7 person safety Department is to ensure and enhance the safety of gas pipelines and facilities and railroad facilities. In FY1998-1999 the Safety Department devoted 326 person days on the inspection of gas and liquid pipelines and liquefied gas plants. The Department performed on-site inspections of 630 miles of railroad tract, 4,848 pieces of rolling equipment, 61 air brake and single car tests, 140 blue signal inspections, and 1,314 record inspections. As a result of these inspections and tests, 43 gas non-compliance and 20 railroad violations were discovered. Companies were notified of these violations and corrective action was taken. The Safety Department budget for FY1998-1999 was \$387,770.

The Transportation Department has authority over the Afor hire@ use of motor vehicles on the public highways of South Carolina. Its primary focus is to ensure a well-regulated and safe Afor

hire@ transportation system that provides all needed services at reasonable costs and complies with the motor vehicle laws and the rules and regulations of the Commission. The Department has 10 employees and an FY1998-1999 budget of \$493,004. Each month the 8 enforcement officers inspect 244 vehicles. During FY1998-1999, the 8 enforcement officers performed 3,840 inspections, issued 106 citations with assessed fines of \$21,288. The Department also responded to 109 complaints, provided 240 assists to regulated carriers and the general public, participated in 15 hearings, and performed 69 complaint audits. These audits and inspections found 188 companies to be in violation of Commission rules and regulations. The companies were notified of their violations and corrective action was taken. A total of 252 certificates of Public Convenience and Necessity and certificates of Fit, Willing and Able were issued. Revenues from license decals totaled \$109,059.

Cooperation and assistance from other State and local agencies is necessary for the Commission to fulfill its mission. As the regulatory environment changes, the Commission must work closely with the Legislature to update statutes and provide guidance to new legislation concerning utilities. Water and wastewater issues require working closely with the Department of Health and Environmental Control. The Accounting Department provides information to the Department of Revenue for tax purposes. The Consumer Services Department and the Legal Department have frequent interaction with Attorney General=s Office and the SC Department of Consumer Affairs. The Research Department assists the State Energy Office in the collection of data and the evaluation of Integrated Resource Plans and Demand Side Management programs. It also provides information to the General assembly through testimony before committees and reports to the legislature. To ensure the safety of pipelines and railroads the Safety Department works with the SC Department of Transportation.

MISSION STATEMENT AND GOALS

MISSION STATEMENT:

The Public Service Commission of South Carolina is to carry out the regulatory functions and responsibilities set forth for it by the laws and policies of the State of South Carolina pertaining to the utility and transportation companies through a dynamic and proactive regulatory process reflecting the increased competitive nature of the companies within the nation and this State while seeking to best serve the needs of all of the citizens of the State and also while encouraging a sense of satisfaction and accomplishment for employees.

GOALS:

- X Seek to ensure that the citizens of the State receive appropriate levels of customer satisfaction and quality of service for those services provided through the entities regulated by this Commission.
- X Seek to ensure that consumer problems, issues, and complaints are sufficiently monitored and addressed.
- X Seek to ensure that within a more competitive utility environment that core or captive customers with little market power are not unduly burdened with the costs of competition and are provided appropriate service and service options.
- X Seek to encourage innovation through the enhancement of Commission processes and the attainment of self-actualization by Commission employees through empowering these employees to carry out their responsibilities and rewarding them for their contribution to the attainment of Commission goals.
- X Seek to modify the organizational process of the Commission in such a manner as to provide for the incorporation of project teams to address specific complex short-term issues that arise as a result of the dynamic nature of the utility industry regulated by this Commission.
- X Provide an open, accessible and efficient regulatory process which is fair, cost effective and unbiased, while also exploring alternative methods of regulating the entities subject to the Commission's jurisdiction.
- X Seek to ensure that the regulatory process results in fair and reasonable outcomes.
- X Encourage efficiency, innovation, and technological growth among regulated entities.
- X For the regulated entities, facilitate the provision of safe services at levels of quality and reliability, which satisfy customer needs.
- X Seek to ensure that all regulated entities' services to consumers comply with all legal requirements subject to the Commission's jurisdiction.

Last modified: July 08, 1998

DESCRIPTION OF PROGRAMS

PROGRAM: Utilities Department

Program Costs: \$933,797

Program Goals: To fulfill the responsibilities of the Public Service Commission of South Carolina as provided for by the South Carolina Constitution and as vested with power and jurisdiction by the South Carolina General Assembly regarding electric, telecommunications, gas and water and wastewater utilities. To communicate information, and provide assistance to the Commissioners regarding current and evolving regulatory issues which have the potential to impact the public interest of the citizens of South Carolina.

Program Objectives:

1. Interact to a greater extent with regulated entities and other stakeholders concerning emerging issues.
2. Obtain additional training and information from external sources concerning emerging technical and policy issues.
3. Interact with greater extent with other PSC departments.
4. Electronic interaction with external groups such as NARUC, NRRI, etc.

Priority Ranking:

1. Fulfill the administrative responsibilities prior to a hearing such as noticing, assignment of filing deadlines and the preparation of the weekly agenda.
2. Provide staff assistance in the hearings in the areas of distribution of all case documents and testimony, reading the Docket and the swearing in of witnesses.
3. Conduct audits and analysis and provide proficient reports and testimony within the hearing process for general rate cases, electric fuel cases, purchased gas cases, complaint cases, and other cases.
4. Research and monitor rate trends, industry changes, and cost methodologies in today=s competitive environment and report these findings to the Commission.
5. Assist the Commission=s Consumer Services Department with the resolution of consumer complaints from utility customers throughout the State.
6. Audit statewide utility offices to substantiate compliance with Commission=s Rules and report these findings to both the Commission and the Commission=s Consumer Services Department.
7. Provide assistance and data to other regulatory bodies, consultants, lawyers and inquiring citizens throughout the United States regarding recent Commission decisions and trends affecting ratepayers in South Carolina.
8. Fulfill the obligation as the oversight agency to implement and monitor the Telecommunications Relay Service for the State of S.C.

Performance Measures:

Workload Indicators:

ELECTRIC	
4	Companies rated and reviewed
36	Compliance Audits statewide

GAS	
4	Companies rated and reviewed
15	Compliance Audits statewide

TELECOMMUNICATIONS	
27	Local Exchange Companies rated and serviced
85	Competitive Local Exchange Companies
428	Interexchange Carriers
1311	Payphone Service Providers (PSPs)
95	Compliance Audits statewide

WATER AND WASTEWATER	
74	Water and Wastewater Companies rated and Serviced
68	Compliance Audits statewide

Efficiency Measures:

ELECTRIC	
5	Hearings held
59	Orders issued
37	Compliance Audits completed

GAS	
4	Hearings held
23	Orders issued
14	Compliance Audits statewide

TELECOMMUNICATIONS	
98	Hearings held
415	Orders issued
67	Compliance Audits statewide

WATER AND WASTEWATER	
10	Hearings held
56	Orders issued
75	Compliance Audits statewide

Outcomes: Forty-nine (49) of the audits indicated non-compliance of Commission rules, regulations, and tariffs.

PROGRAM: Accounting Department

Program Cost: \$505,347

Program Goal: The Accounting Department of the South Carolina Public Service Commission will analyze and review; testify, communicate information; aid and assist the Commissioners, Commission Staff and the public regarding current and evolving regulatory issues which have the potential to impact the public interest of the citizens of South Carolina.

Program Objectives: The Accounting Department of the South Carolina Public Service Commission will interact with regulated entities and all other stakeholders concerning new and emerging issues that will have an effect on regulation. The Accounting Department will also obtain needed additional training and information from outside sources concerning new and emerging technical, accounting and policy issues. In addition, the Accounting Department will interact with a greater extent with the Public Service Commission Departments; thereby utilizing more of a team concept. Also, the Accounting Department will implement the use of Personal Computers in the Accounting Department.

Priority Ranking:

1. Aid in identification of developing, evolving and current regulatory issues impacting on the citizens of South Carolina. These would include such as the Universal Service Fund, Interim LEC Fund and Deregulation of the Electric Industry.
2. Provide the Commissioners and Staff with assistance in understanding the impact of regulatory issues that may impact on the citizens of South Carolina.
3. To conduct audits of the books and records of regulated companies= issues reports based on such audits, and sponsor testimony in hearings before the South Carolina Public Service Commission.
4. To collect and gather data needed to compute the Gross Receipts Taxes required to operate the South Carolina Public Service Commission and to interact with the Department of Revenue in the billing and collection of such taxes.
5. To gather and collect financial information on regulated companies in order to complete reports required by the Commissioners, Regulatory Groups, and Utilities and all other parties requesting such information.

Performance Measures:

Workload Indicators:

1. Audited regulated companies requesting changes in their rates and tariffs, Reviews of Electric Companies= Fuel Clauses, Gas Companies= PGA, and Compliance Audits of Regulated Companies to determine compliance with rules and regulations of the South Carolina Public Service Commission.
2. Issued reports and testimony in hearings held before the South Carolina Public Service Commission.
3. Developed the Commission ordered Interim LEC Fund. The Accounting Department

calculated the liability of the funding companies, developed them billing procedures and managed its implementation by the Administration Department of the Commission, followed up on any and all complaints arising from the Fund, audited all the information furnished by the Local Exchange Carriers and developed a bookkeeping systems used by the Administration Department to oversee the Fund.

4. The Accounting Department has collected financial information used to develop the PSC=s annual reports.
5. Financial information has been collected in order to compute the annual gross receipts taxes and has interacted with the Department of Revenue in its billing and collecting of such taxes.
6. The Accounting Department has overseen the filing of annual reports by all regulated companies. This would include both Utilities and Transportation Carriers regulated by the South Carolina Public Service Commission.
7. The Accounting Department has worked with the Financial Committee of the South Carolina Public Service Commission in the review of all financing agreements filed with the Commission.
8. Participated with other state and federal commissions in the auditing of multi-state utilities.
9. Attended seminars and conferences that have aided the staff members to stay current with changes in the accounting industry and evolving changes in the regulatory industry.
10. Attended staff conferences in order to help other departments at the South Carolina Public Service Commission in solving problems that arise with regulated companies.
11. Assisted the Legal Department with the issuing of orders arising from rulings of the South Carolina Public Service Commission.
12. Assisted the Legal Department by reviewing the financial statements filed with all request to perform telecommunications services, such as long distance service.

Efficiency Measures:

- X Electric audits, 3 performed.
- X Gas audits, 7 performed.
- X Telecommunications audits (desk and field), 125 performed.
- X Water and Wastewater audits, 7 performed.

Outcomes: No violations of Commission rules or regulations.

Program: Legal

Program Costs: \$180,000

Program Goals: The Legal Department of the Public Service Commission of South Carolina exists to reduce to writing the oral decisions of the Commission, while advising the Commission, when appropriate, on the laws and policies of the State of South Carolina and the United States, pertaining to the regulation of the utility and transportation industries, and while representing the Commission Staff in proceedings before the Commission, and defending the Commission's positions and its Orders before the Courts, and providing legal information and assistance to the Commission Staff and other interested persons with regulatory matters.

Program Objectives: To properly set out in writing the decisions of the Commission. To provide appropriate consultation to the Commission and Staff on all laws and regulations pertaining to the utility and transportation industries. To keep a current knowledge as much as possible of such laws and regulations. To provide representation to the Commission Staff in hearings before the Commission. To provide representation of the Commission's positions before all State and Federal Courts.

Priority Ranking:

1. Compose written Commission Orders.
2. Provide representation of Staff before the Commission in Commission hearings.
3. Provide representation of the Commission in Court proceedings.
4. Advise Commission and Staff on current legal issues.
5. Keep a current knowledge of the law in the area.

Performance Measures:

Workload Indicators:

- X Have composed and drafted 600 Orders for the Commission during calendar year 1999 so far.
- X Participated in 183 hearings and Commission meetings before the Public Service Commission during fiscal year 1998-99.
- X Are presently defending the Commission's positions in 25 cases in State and Federal Courts.
- X Engage in daily multiple conversations and E-mail on a variety of regulatory topics with Commission Staff members and the public and render a multiplicity of daily legal opinions on same.
- X Have developed further Regulations for the Transportation Department and the Utilities Department.

Outcomes: The orders prepared by the Legal Department are the official and legal determinations of the Commission to which the regulated companies must comply.

PROGRAM: Research

Program Costs: \$326,185

Program Goal: The Research Department of the South Carolina Public Service Commission intends to conduct research; analyze and review; testify; communicate information; and to provide assistance to the Commissioners, Commission=s Staff and the public regarding current and evolving regulatory issues which have the potential to impact the public interest of the citizens of South Carolina. The Computer Services group strives to ensure that the hardware and software computer needs of the Commission in a timely and cost-effective manner.

Program Objectives: Provide policy input to the Commissioners regarding changing and evolving regulations in the electric, telecommunications, and natural gas industries.

Interact to a greater extent with regulated entities and other stakeholders concerning emerging issues. Obtain additional training and information from external sources concerning emerging technical and policy issues. Interact with greater extent with other PSC departments. Electronic interaction with external groups such as NARUC, NRRI, etc. Implement a Personal Computer information system for the Department. Develop a comprehensive consumer education process.

Priority Ranking (Research Group):

1. Identify developing, evolving, and current regulatory issues.
2. Provide the Commissioners and the Staff with information regarding regulatory issues specifically identified by the Commissioners and the Staff in the form of presentations, briefings, and written and oral reports.
3. Assist the Commissioners and the Staff in the review and development of policy regarding specific regulatory issues.
4. Research, evaluate, and provide testimony regarding policy for new and evolving issues that come before the Commission
5. Provide the Commissioners with any assistance requested to address regulatory matters such as participation in regulatory conferences, preparation of speeches, researching specific matters, etc.

Priority Ranking (Computer Service Group)

1. Provide technical support in developing, installing, maintaining, and using the agency information systems.
2. Evaluate information systems to determine if the agency=s needs are being met, the systems are being used to their capacity, and the users are properly trained.

Performance Measures:

Workload Indicators:

- X Made two presentations on electric restructuring to the House Committee on Labor, Commerce, and Industry.
- X Made one presentation on electric restructuring to the Senate Committee on Electricity.
- X Made one presentation on forecasting to the Electric Utility Forecaster Forum.
- X Made two presentations on water issues to outside organizations.

- X Research Staff represented the Commission on Three Senate Subcommittees.
- X Prepared presentations on slamming, water issues and consumer education.
- X Prepared and placed on the Commission's website articles and presentations which included *A How to File a Complaint*, *A Your Water and Wastewater Service*, *A The Cost of Your Water*, *Why Do You Pay for Drinking Water*, *A Water: Clear, Cool, & Costly*, *A Slamming and Cramming*, *A Do You Qualify for LifeLine and Link-up?*, and *A Optional Custom Calling Features*.
- X Attended nine workshops, conferences and seminars.
- X Provided annual reports to the Commission on the impact of alternative regulation on 8 telecommunications companies.
- X Analyzed 8 utility financing proposals and presented reports to Commissioners.
- X Made quarterly estimates on return on equity for regulated utilities.
- X Participated in over 120 teleconferences with NARUC.
- X Filed comments for the Commission with the Federal Energy Commission concerning regional transmission organizations.
- X Participated in 8 training exercises and workshops directed by the Emergency Preparedness Office.
- X Worked at the state operations center during one hurricane.
- X Assisted the State Energy Office in analyzing utility integrated resource plans and the preparation of a report on Demand Side Management.
- X Prepared weekly memorandums on current regulatory issues for the Commissioners and Staff.
- X Computer services staff attended 14 conferences and seminars.
- X Computer services staff wrote a complaint system-tracking program for the Transportation Department.
- X Assisted the University of South Carolina programmers in developing a complaint system for the Consumer Services Department.
- X Directed the Commission's Y2K compliance efforts.
- X Was the Commission's liaison with the utilities and other agencies concerning their Y2K compliance.

Outcomes: The studies, investigations, and reports prepared by the Research Department provide much of the information and foundation for developing Commission policy on regulatory issues. The SC legislature also relies on information provided by the Department when considering and writing legislation that impacts the utility industries.

PROGRAM: Consumer Services Department

Program Costs: \$167,875

Program Goal: The Consumer Services Department staff of the Public Service Commission of South Carolina will receive consumer complaints, inquiries, and comments concerning the utility and transportation companies regulated by the Commission. All complaints and inquiries will be investigated and processed in accordance with the Commission's rules, regulations, and guidelines. The Department staff will also provide the public with Consumer Information and Education.

Program Objectives: Address all consumer complaints, inquiries and comments; conduct on-site inspections of facilities serving consumer, conduct water meter tests, and witness electric and gas meter tests performed by utilities; conduct informal complaint hearings; interact with regulated entities concerning evolving consumer related issues; review and analyze complaint trends; testify before the Commission on consumer related issues; provide assistance to the Commissioners, Commission's staff and the public regarding current and evolving regulatory issues which have the potential to impact the interest of the consumers of South Carolina.

Priority Ranking:

1. Investigate all consumer complaints, inquiries, and comments concerning the utility and transportation companies regulated by the Commission in accordance with the Commission's rules, regulations, and guidelines.
2. Perform on-site inspections of the utilities facilities serving the consumer, conduct water meter tests and witness electric and gas meter tests performed by the utilities.
3. Schedule and conduct informal complaint hearings to resolve complaint issues between the consumer and the utility or transportation companies.
4. Participate in meetings with the utility companies concerning consumer-related issues and the processing and resolution of such issues.
5. Interact with regulated entities concerning emerging consumer related issues.
6. Monitor complaint trends occurring in evolving competitive utility environment regarding consumer related issues and report findings to Commission and Commission staff.
7. Provide testimony in the public hearing process for consumer related regulatory issues.
8. Assist Commission and Commissioners in the review and development of policy regarding consumer related regulatory issues.
9. Develop consumer information and education process to be carried out by additional consumer services personnel.

Performance Measures:

Workload Indicators:

- X Investigated 3943 complaints and inquiries, and provided responses of the investigation findings.
- X Recovered \$116,580.03 in credits and refunds for consumers through complaint investigations.
- X Brought Speech-to-Speech telephone relay service to the physically disabled citizens of South Carolina.
- X Conducted 116 meter tests and on-site inspections.
- X Received and processed 27,938 WATS line calls from consumers within South Carolina.

Received and processed an estimated 1800 calls in addition to the WATS line calls.

- X Made 6607 outbound long distance calls in response to consumer complaints and inquiries.
- X Obtained 2 additional investigative positions, and hired and trained 4 new employees.
- X Conducted 31 meetings with consumers at the Commission and the consumer=s point-of-interest locations to discuss and address complaints, inquiries and disputes.
- X Conducted 7 informal complaint hearings between consumers and companies.
- X Discovered 3 water systems operating without authority in the state.
- X Petitioned the Commission for 2 rule to show cause proceedings regarding telecommunications long distance resellers for violations of the Commission=s rules and procedures.
- X Testified in 1 rule to show cause regarding telecommunication long distance reseller for violations of the Commission=s rules and procedures.
- X Held 17 meetings with regulated utility companies on consumer related issues.
- X Attended 38 training sessions and seminars such as water, electric and gas meter testing, customer service, WNA, and other consumer-related issues.
- X Consumer Information and Education was made available through the Commission=s web site to help consumers understand their rights and to educate consumers about utility issues and services.
- X Worked weekly with the University of South Carolina computer staff to assist in the development of Complaints Tracking System (CTS) that will be used to analyze and monitor complaint trends.
- X Participated in telephone conference calls of NARUC Subcommittee on Consumer Affairs.

Outcomes: Utility consumers are provided with the information necessary to understand their rights and the process for submitting and resolving complaints. Consumers are provided with information to educate them about changes in the utility industries and the services they provide. As a result of the efforts of the Consumer Services Department, consumers are provided with the information to make better decisions and are assisted in resolving complaints.

PROGRAM: Safety Department

Program Costs: \$387,770

Program Goals: To carry out, support, encourage, develop, and enhance pipeline and railroad safety through federal/state pipeline and railroad safety programs.

Program Objectives: Conduct sufficient on-site inspections of gas, liquid, and railroad facilities to determine compliance with state and federal safety regulations and carry out a cooperative program of assisting jurisdictional system operators to achieve compliance. Initiate compliance action as needed.

Priority Ranking:

1. Conduct on-site inspections of gas pipeline and railroad facilities to monitor for compliance with the safety regulations.
2. Take enforcement action, when needed to ensure compliance and to protect lives and property from potential harm.
3. Assist jurisdictional operators to achieve compliance with the safety regulations.
4. Conduct investigations of accidents to prevent their recurrence.
5. Assist in promulgating new or amended safety regulations when needed

Performance Measures:

Workload Indicators:

- X 326 person days spent on inspections of gas and liquid pipelines and liquefied gas plants.
- X On-site inspections of 630 miles of railroad track and 4,848 pieces of rolling equipment. Inspections of railroads also included 1,314 record inspections, 61 air brake and single car tests, and 140 blue signal inspections.

Note: The number of miles of railroad track inspected was down because the rail inspector position was vacant for 9 months during the year. The Commission has since filled this position.

Outcomes: The inspections revealed 43 gas non-compliance and 20 railroad violations. These violations were reported to the companies and appropriate corrective actions were taken.

PROGRAM: Transportation Department

Program Costs: \$493,004

Program Goal: To minimize the unauthorized Afor hire@ use of motor vehicles on the public highways of this state. To assist all Afor hire@ motor carriers in bringing their companies into compliance with the laws regulating the hauling Afor hire@ of passengers, household good and hazardous waste for disposal or any other item or article which falls under the purview of this Commission=s authority.

Program Objectives: To provide the state with a well-regulated and safe transportation system which can provide all needed transportation services at a reasonable cost and operate within the motor vehicle laws and the rules and regulations of this Commission.

Priority Ranking:

1. To accommodate the carriers that contact our agency to apply for authority or to purchase decals. To monitor carrier activity statewide and nationwide.
2. Identify existing needs/requirements of our customers.
3. Assist and advise customers regarding Commission rules and regulations and application and decal processes.
4. Perform investigations pertaining to illegal activities.

Performance Measures:

Workload Indicators:

- X 8 authorized positions for law enforcement officers.
- X 244 inspections of vehicles per month.
- X 8 inspectors are given a goal of 2 inspections per day worked.
- X Issues citations, warnings and/or warrants of arrest to carriers found to be operating with no intrastate authority or certificated carriers found to be in violation of Rules and Regulations of the Commission.
- X Enforcement officers respond to complaints filed by the public and complaints filed by certificated carriers.
- X Department staff assists the regulated carriers and the general public with regard to various motor carrier issues.
- X Issues certificates of Public Convenience and Necessity , Fit, Willing and Able and Charter Bus Certificates to intrastate motor carriers after proving that they are fit, willing and able as determined by the Commission.
- X Issues license decals for commercial vehicles holding Class C certificates of Public Convenience and Necessity operating in this state.
- X Schedules hearings as needed to address various transportation matters.
- X Reviews all rates with regard to new applications, tariffs on file for certificated carriers and applications for rate increases to determine if the rates are fair and provide adequate compensation to allow continued service.
- X Conducts complaint and compliance audits of Afor hire@ motor carriers as deemed necessary by the Transportation Department

Efficiency Measures:

- X 320 inspections of vehicles per month by 8 enforcement officers
- X 106 citations/warrants were issued or taken out with assessed fines of \$21,288
- X 69 warnings were issued by enforcement officers
- X 109 responses to complaints were reported by the department
- X 240 assists to regulated carriers and the general public with regard to various motor carrier issues
- X 252 certificates of Public Convenience and Necessity ,Certificates of Fit, Willing and Able and Charter Bus Certificates were issued to intrastate carriers of passengers, household goods and hazardous waste for disposal after proving that they are fit, willing and able as determined by the Commission
- X License decals issued for commercial vehicles holding Class C certificates of Public Convenience and Necessity operating in this state, producing \$109,059.11 in revenues.
- X 15 hearings were held concerning various transportation matters
- X 2 rate increase applications handled by the department
- X 69 complaint and/or compliance audits performed on transportation companies
- X All complaints were worked satisfactorily within the Commission guidelines during the period

Outcomes: The Transportation Department found 188 transportation companies to be out of compliance with Commission rules and regulations during this period.

Cost effectiveness of the Commission: The Public Service Commission, as its name implies, is a service agency, which makes it difficult to measure the cost effectiveness of the Commission or its departments. However, if one considers the measurable workload of the departments primarily involved in auditing and inspecting compared to their budgets, it is apparent that the Commission is a very cost-effective agency. The legal Department prepares orders and holds hearings at a cost of approximately \$228, which equates to about 1 hour of time for an attorney. Considering the number of complaints and inquiries addressed by the Consumer Services Department, including meetings with consumers and companies, the cost of the Consumer Services Department is less than \$5 per complaint and inquiry.